

Huttons

SINGAPORE'S LARGEST
PRIVATE REAL ESTATE AGENCY

HUTTONS DATA ANALYTICS

INDUSTRIAL UPDATES 1Q 2024

OVERVIEW

Based on flash estimates, economic growth in Singapore was 2.7% on a year-on-year (YoY) basis in 1Q 2024. However, growth in the manufacturing sector was slower at 0.8% YoY, moderating from the previous quarter growth of 1.4%.

The electronics, biomedical and general manufacturing clusters remained weak in 1Q 2024. Expansions in the chemical, precision engineering and transport engineering clusters helped the manufacturing sector to eke a small gain in 1Q 2024.

Singapore's non-oil domestic exports (NODX) contracted by 20.7% in March 2024, worsening from the 0.2% decline in February 2024. Both electronics and non-electronics exports fell sharply in March 2024.

Table 1: Year-on-Year Change in Gross Domestic Product in chained (2015) dollars

	1Q 2023	2Q 2023	3Q 2023	4Q 2023	2023	1Q 2024*
GDP	0.5	0.5	1.0	2.2	1.1	2.7
Manufacturing	-5.4	-8.2	-4.9	1.4	-4.3	0.8
Construction	5.8	6.4	3.7	5.2	5.2	4.3
Services	2.0	2.9	2.3	2.0	2.3	3.2

* advance estimates

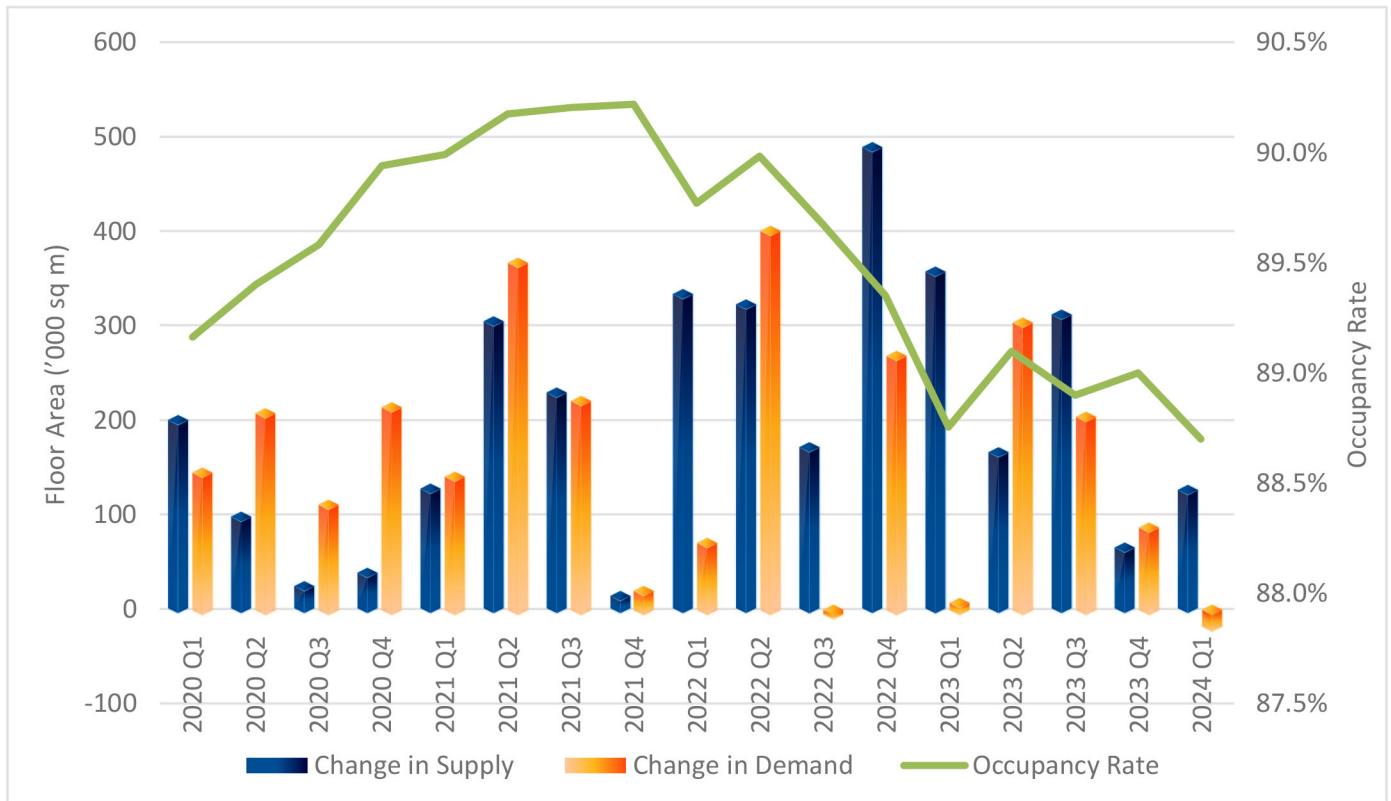
Source: MTI, Huttons Data Analytics as of 25 Apr 2024

The weakness in the manufacturing sector has affected demand in 1Q 2024.

Demand for industrial space in 1Q 2024 contracted for the first time since 4Q 2022 by 19,000 sq m. Coupled with the large completion of 126,000 sq m of industrial space, occupancy rate of industrial space eased by 0.3 percentage points to 88.7% in 1Q 2024.



Figure 1: Change in Supply, Demand and Occupancy Rate of Industrial Space



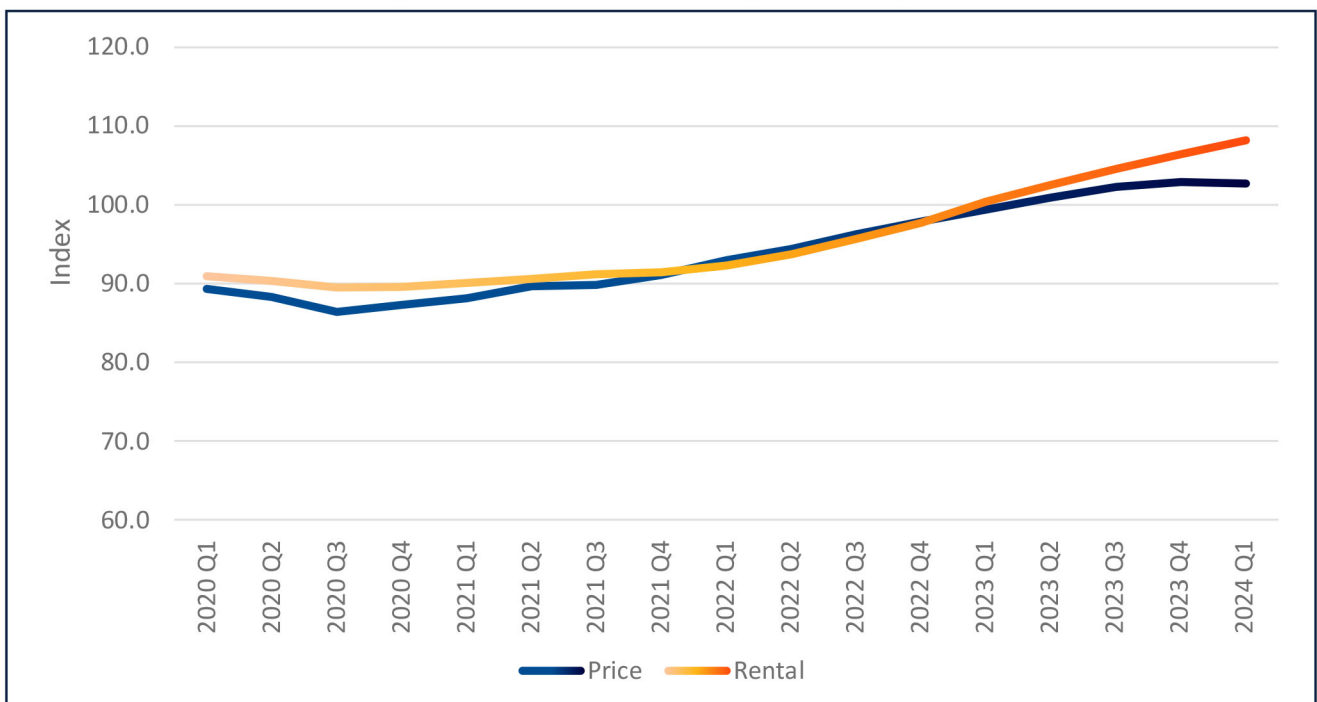
Source: JTC, Huttons Data Analytics as of 25 Apr 2024

Prices of industrial space edged down by 0.2% in 1Q 2024, the first contraction since 3Q 2020. This was led by the Single-User segment where prices declined for two straight quarters.

In the multi-user segment, price gains were marginal at 0.5%. This is the slowest pace of price gains since 3Q 2021. Weakness in the manufacturing sector and high interest rates are resulting in cautious sentiments among buyers thus limiting price increase.

More manufacturers are choosing to rent instead of buy in view of the weak economic and manufacturing outlook. This pushed up rents of industrial space by 1.7% in 1Q 2024.

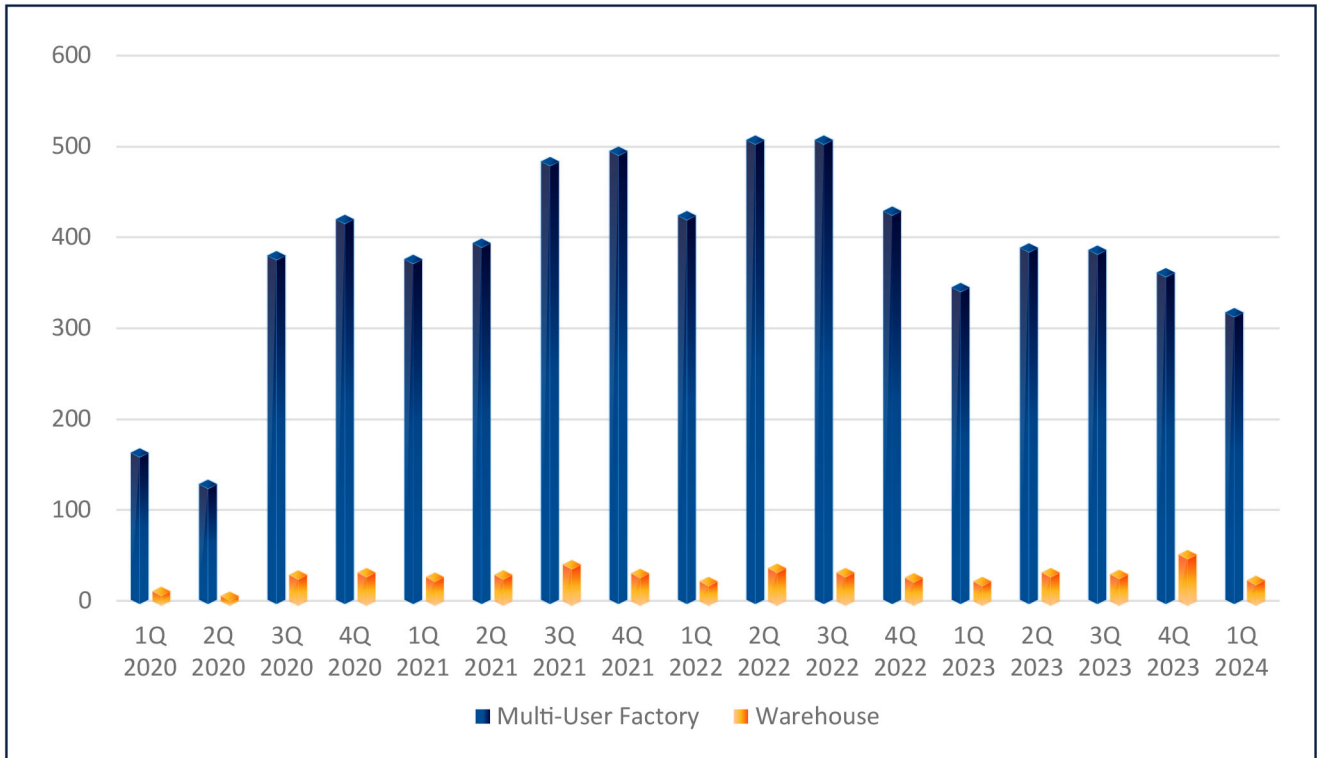
Figure 2: Price and Rental Index of Industrial Space



Source: JTC, Huttons Data Analytics as of 25 Apr 2024

The cautious investment sentiments among buyers and manufacturers led to slightly lower strata sales of industrial units in 1Q 2024. The largest strata sale of a multi-user factory in 1Q 2024 was the sale of 6 units on level 9 of Apex @ Henderson for \$14.5 million. Over in the warehouse segment, 7 Toh Tuck Link was sold for \$25 million.

Figure 3: Transactions of Multi-User Factory and Warehouse Space



Source: JTC, Huttons Data Analytics as of 25 Apr 2024



MARKET OUTLOOK

The Singapore’s Purchasing Managers’ Index (PMI) continued its expansion in the first quarter of 2024. Expansion was seen across new orders, new exports and output.

Economists estimate Singapore’s economy and the manufacturing sector to improve in the coming quarters of 2024. This will provide support to the industrial market.

Strata sales of factory space may pick up in 2Q 2024 with the launch of Smart Food @ Mandai, a freehold 10-storey 84-unit ramp-up factory in Mandai Estate. An estimated 23 units have been sold during the launch.

Barring unforeseen circumstances, prices and rents of industrial space should be stable and may see a growth of 3% to 5% in 2024.

Map 1: Major Multi-User Projects in the Pipeline

PROJECT NAME 1
BULIM SQUARE

LOCATION BULIM LANE 1/2	GROSS FLOOR AREA (SQ. M) 157,590
DEVELOPER JTC CORPORATION	EXPECTED YEAR OF COMPLETION 2025

PROJECT NAME 2
JTC SPACE @ AMK

LOCATION ANG MO KIO STREET 64/65	GROSS FLOOR AREA (SQ. M) 117,230
DEVELOPER JTC CORPORATION	EXPECTED YEAR OF COMPLETION 2025

PROJECT NAME 3
NA

LOCATION TAMPINES NORTH DRIVE 4	GROSS FLOOR AREA (SQ. M) 50,760
DEVELOPER SOON HOCK DEVELOPMENT PTE LTD	EXPECTED YEAR OF COMPLETION 2026

PROJECT NAME 4
FOOD ASCENT

LOCATION TUAS SOUTH AVE 1	GROSS FLOOR AREA (SQ. M) 31,060
DEVELOPER SB (2TS) INVESTMENT PTE LTD	EXPECTED YEAR OF COMPLETION 2027

PROJECT NAME 5
CT FOODNEX

LOCATION MANDAI ESTATE	GROSS FLOOR AREA (SQ. M) 18,650
DEVELOPER CHIU TENG ENTERPRISES PTE LTD	EXPECTED YEAR OF COMPLETION 2026



PROJECT NAME 6
FOOD VISION @ MANDAI

LOCATION MANDAI ESTATE	GROSS FLOOR AREA (SQ. M) 18,390
DEVELOPER CHIP TIONG INVESTMENT PTE LTD	EXPECTED YEAR OF COMPLETION NA

PROJECT NAME 7
ONE KA @ MACPHERSON

LOCATION KAMPONG AMPAT	GROSS FLOOR AREA (SQ. M) 18,370
DEVELOPER WOODLANDS SMARTISAN PTE LTD	EXPECTED YEAR OF COMPLETION 2024

PROJECT NAME 8
NA

LOCATION LENG KEE ROAD	GROSS FLOOR AREA (SQ. M) 17,900
DEVELOPER WEALTH SPACE PTE LTD	EXPECTED YEAR OF COMPLETION 2026

PROJECT NAME 9
NA

LOCATION JALAN PAPAN	GROSS FLOOR AREA (SQ. M) 17,360
DEVELOPER SETSCO SERVICES PTE LTD	EXPECTED YEAR OF COMPLETION 2026

PROJECT NAME 10
SMART FOOD @ MANDAI AT MANDAI ESTATE

LOCATION MANDAI ESTATE	GROSS FLOOR AREA (SQ. M) 15,140
DEVELOPER SMARTISAN REALTY PTE LTD	EXPECTED YEAR OF COMPLETION NA

PROJECT NAME 11
NA

LOCATION MANDAI ESTATE	GROSS FLOOR AREA (SQ. M) 11,760
DEVELOPER TEOW AIK HOLDINGS PTE LTD	EXPECTED YEAR OF COMPLETION 2026

Projects above 10,000 sq m excluding A&A

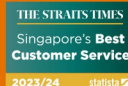
Source: JTC, Huttons Data Analytics as of 25 Apr 2024

CONTACT ME FOR A DETAILED DISCUSSION OF THE LATEST TRENDS



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HIGH-GROWTH COMPANIES ASIA-PACIFIC 2024

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